

ECONOMIC DEVELOPMENT

REVOLVING LOAN FUND

APPLICATION REVIEW PROCESS:

- ◆ Submit application with a business plan and required financial statement to the Economic Development department.
- ◆ Staff reviews project Business Plan for completeness and feasibility.
- ◆ Application is evaluated for
 - *Financial Need*
 - *Reasonable Cost*
 - *10% owner equity*
 - *Job Creation*
 - *Credit History*
 - *Current financial health of the company.*
 - *Letters from all involved parties stating their commitment to fund the project.*
 - *Reasonable collateral (personal and/or business) .*
 - *RLF Loan Committee meets to approve or decline the loan request. Loan terms are negotiated upon arrival.*



FUTURE PROJECTS



FOR MORE INFORMATION OR TO ARRANGE A PRE- APPLICATION MEETING

Contact the City of Seat Pleasant
Economic Development Department
Director Weyimi Ayu
301-336-2600



"A Smart City of Excellence"

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Program Mission

The purpose of the ED-RLF is to assist with business financial needs that will create and retain employment opportunities in the City of Seat Pleasant; with major emphasis on employment for persons from low-to-moderate –income households.



CITY OF SEAT PLEASANT
Mayor Eugene W. Grant

**Economic Development
Department**

6301 Addison Road
Seat Pleasant, MD 20743
301-336-2600

[www. SeatPleasantmd.gov](http://www.SeatPleasantmd.gov)



LOAN REQUIREMENTS

- ◆ Eligibility limited to City of Seat Pleasant businesses.
- ◆ Maximum loan amount is \$250,000. Minimum loan amount is \$10,000. A minimum of 51% of the full– time equivalent (FTE) jobs created must be made available to persons from low – to moderate income households as defined by the U.S Department of Housing and Urban Development guidelines.
- ◆ A maximum of \$35,000 ED-RLF dollar may be loaned for each Permanent FTE job created.
- ◆ This program can provide 50% of the needed financing. 10% must be in the form of owner equity, while a or private financing) .
- ◆ Loans will only be awarded if the project will not go forward without RLF funding.

LOAN

APPLICATIONS

- ◆ Applications are accepted year around
- ◆ The applicant must demonstrate that the proposed project is viable and that the business will have the capacity to repay the loan.
- ◆ A current Business Plan and applicable financial reports are required.
- ◆ The project must meet federal underwriting guidelines.
- ◆ A pre-application meeting with City of Economic Development staff is required before a loan application is accepted.
- ◆ Building Construction, acquisition, rehabilitation or expansion

ELIGIBLE USES

- ◆ Land acquisition (in conjunction with building purchase or construction)
- ◆ Purchase and installation of machinery and equipment
- ◆ Working capital (direct labor cost or inventory only)

WORKING CAPITAL LOAN

- ◆ Maximum loan amount is \$35,000. Maximum period of 3 years.
- ◆ Loans for working capital are allowed as direct outlays.
- ◆ Working capital loans may not be rolled into other loans for equipment, construction or building acquisition.

TERMS:

- 4% interest rate
- Negotiable payback length
- Personal guarantee required on all loans.

INELIGIBLE USES:

- ◆ Working capital loans may not be used as a line of credit, a loan guarantee, or to refinance outstanding debt.

